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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/668,255	09/21/2000	Michael H. Evelyn	2955/103	1374
2101	7590	08/10/2007	EXAMINER	
BROMBERG & SUNSTEIN LLP 125 SUMMER STREET BOSTON, MA 02110-1618			GREENE, DANIEL LAWSON	
ART UNIT		PAPER NUMBER		
3694				
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**Please find below and/or attached an Office communication concerning this application or proceeding.**

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	Application No.	Applicant(s)
	09/668,255	EVELYN ET AL.
	Examiner	Art Unit
	Daniel L. Greene Jr.	3694

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

#### Status

1) Responsive to communication(s) filed on 08 May 2007.

2a) This action is FINAL.                            2b) This action is non-final.

3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

4) Claim(s) 1-5, 12, 15-19, 34, 39, 43-50, 55 and 59-62 is/are pending in the application.

4a) Of the above claim(s) \_\_\_\_\_ is/are withdrawn from consideration.

5) Claim(s) \_\_\_\_\_ is/are allowed.

6) Claim(s) 1-5, 12, 15-19, 34, 39, 43-50, 55 and 59-62 is/are rejected.

7) Claim(s) \_\_\_\_\_ is/are objected to.

8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

9) The specification is objected to by the Examiner.

10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

1) Notice of References Cited (PTO-892)  
 2) Notice of Draftsperson's Patent Drawing Review (PTO-948)  
 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date \_\_\_\_\_

4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_

5) Notice of Informal Patent Application  
 6) Other: \_\_\_\_\_

## **DETAILED ACTION**

### ***Continued Examination Under 37 CFR 1.114***

1. A request for continued examination under 37 CFR 1.114, including the fee set forth in 37 CFR 1.17(e), was filed in this application after final rejection. Since this application is eligible for continued examination under 37 CFR 1.114, and the fee set forth in 37 CFR 1.17(e) has been timely paid, the finality of the previous Office action has been withdrawn pursuant to 37 CFR 1.114. Applicant's submission filed on 5/8/2007 has been entered. In said submission Applicant cancelled claims 6-11, 13, 14, 20-33, 35-38, 40-42, 51-54, 56-58 and 63-74 and amended claims 1, 12, 15, 34, 39 and 55. Claims 1-5, 12, 15-19, 34, 39, 43-50, 55 and 59-62 have been examined on the merits in the instant application.

### ***Response to Amendment***

2. The cancellation of claims 35 and 36 obviates the objection and rejection set forth in sections 3 and 7 of the previous Office action mailed 2/8/2007.

3. Applicant's arguments with respect to claims 1-5, 12, 15-19, 34, 39, 43-50, 55 and 59-62 have been considered but are moot in view of the new ground(s) of rejection.

### ***Specification***

4. **The disclosure is objected to because of the following informalities:**

a. Page 16 line 22, change the word "if" to "of"

- b. Page 22 line 7, change the word "An" to "A"
- c. Page 23 line 1 remove the word "the" before the word "whatever"
- d. Page 5 line 23, the abbreviation CSFB must be spelled out, example, Computer Software Farcity Bank (CFSB)

**Appropriate correction is required.**

***Claim Rejections - 35 USC § 112***

5. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

6. **Claims 1, 15 and 34 are rejected under 35 U.S.C. 112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.**

Claims 1, 15 and 34 are vague, indefinite and incomplete in what all is meant by and encompassed by the phrase "a final price...not known to the auction participants other than the bidder who submitted the competitive bid." because it is not clear how the allocation of securities can be performed based on something that is not known, i.e. the final price. That is, the claims STILL do not require anyone other than the bidder to know what the final price is, hence the metes and bounds of the claim are undefined. See the discussion of this topic in section 6 of the previous Office action.

***Claim Rejections - 35 USC § 102***

7. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

8. **Claims 1-5,12,15-19,34,39,43-50,55 and 59-62 are rejected under 35**

**U.S.C. 102(b) as being anticipated by US 5,835,896 to Fisher et al. (Fisher).**

Because of the claims vague and indefiniteness surrounding the limitations of the "final price", the examiner has interpreted the limitation to be synonymous to a proxy bid, or a maximum bid that a person is willing to pay for an item in an auction.

Regarding Claims 1, 15 and 34, Fisher sets forth a system and method for conducting an auction of securities to auction participants, the method comprising:

providing a bid mechanism for receiving a plurality of competitive bids each having:

- i. a desired quantity of securities to be purchased,
- ii. an initial price that is known to the auction participants, and having an associated bid time stamp, and
- iii. a final price within a predetermined range of the initial price, having the associated bid time stamp of the initial price, and not known to the auction participants other than the bidder who submitted the competitive bid;

based on the final prices and associated bid time stamps, providing an allocation of the securities at a single clearing price that sells all of the securities; and

providing a system for monitoring the auction as it occurs in, for example, the Abstract, Figures 1-3, Col. 9 lines 18-35, Col. 10 lines 29-39 and Col. 12 lines 63 through col. 13 line 25 wherein it is understood that the term "final price" is in actuality nothing more than the maximum amount the bidder places into the Proxy Bidder.

Regarding Claims 2-4, 12, 16-18, 43-45, 47-49 and 59-61 and the various limitations directed towards the various items available for auction e.g. "wherein the securities comprise equity securities or debt securities", see for example, Col. 2 line 60; "wherein the securities comprise commodities, and the commodities comprise gold, silver..." see for example, col. 1, lines 10-15 AND Col. 12 line 63-65 wherein it is disclosed that "Proxy Bidding" can be applied to ANY AUCTION FORMAT which inherently includes the auction of ANY item capable of being Auctioned.

Regarding Claims 5, 19 and 50 and the limitation "wherein the bid mechanism comprises an open Dutch auction process, see for example, Col. 10 lines 29-39

Regarding claims 39 and 55 and the limitation "wherein an identity of a bidder that entered a particular competitive bid is not revealed in association with

the initial price of the particular competitive bid", see for example, Col. 2 lines 10-

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10) Electronic auctions held over the Internet using electronic mail (E-mail) have provided a minor innovation as compared to more traditional physical options. In E-mail auctions, an auction catalog is electronically mailed to people interested in bidding. Subsequently, bidders submit their bids on individual lots to an auctioneer via E-mail. The auctioneer reads the electronic mail bids and enters them in a database of bids. When the auction closes, the auctioneer notifies the winning bidders, usually via electronic mail, and ships the merchandise to the winning bidders. (Emphasis added)

Set forth above is one method of performing an auction wherein NONE of the participants know who is bidding or what the other bids are. This is known in the art as a **Sealed Bid Auction**.

Regarding claims 46 and 62, See Col. 10 lines 29-39.

**9. Claims 1-4,12,15-18,34,39,43-49,55 and 59-62 are rejected under 35 U.S.C. 102(b) as being anticipated by "Tips for Buyers" from E-bay 10/13/1999.**

Regarding claims 1, 15 and 34 E-bay sets forth an apparatus for and a method of conducting an auction having an initial price and a final price (known as the maximum bid) that is kept secret and known as a proxy bid and based on the final price and who submitted the bid first (time stamp required) wherein the auction is monitored as it occurs.

Regarding claims 2-4, 12, 16-18, 43-45, 47-49 and 59-61 and the various limitations directed towards the various items available for auction it is considered that the limitation "securities" inherently includes all of the specific items listed. That is, E-bay is set up to sell stuff, securities are stuff. Each one of the items listed in the claims is just another form of "stuff" that can be auctioned.

**As to limitations which are considered to be inherent in a reference, note the case law In re Ludtke, 169 USPQ 563, In re Swinehart, 169 USPQ 226, In re Fitzgerald, 205 USPQ 594, In re Best et al, 195 USPQ 430, and In re Brown, 173 USPQ 685,688.**

***Claim Rejections - 35 USC § 103***

10. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

11. **Claims 1-5,12,15-19,34,39,43-50,55 and 59-62** are rejected under 35 U.S.C 103(a) as being unpatentable over US 6,058,379 to Odom in view of US 6,629,082 to Hambrecht and further in view of US 5,835,896 to Fisher.

Regarding Claims 1, 15 and 34, Odom sets forth a system, method and apparatus for conducting an auction of securities to auction participants, the method comprising:

providing a bid mechanism for receiving a plurality of competitive bids each having:

- i. a desired quantity of securities to be purchased,
- ii. an initial price that is known to the auction participants, and having an associated bid time stamp, and

- iii. a final price within a predetermined range of the initial price;

providing a system for monitoring the auction as it occurs in, for example, the Abstract, Col. 10 lines 38-59.

**Odom does not appear to expressly disclose:**

a. based on the final prices and associated bid time stamps, providing an allocation of the securities at a single clearing price that sells all of the securities; and

b. submitting a final price having the associated bid time stamp of the initial price, and not known to the auction participants other than the bidder who submitted the competitive bid

a. **Hambrecht teaches**, providing an allocation of the securities which allows winning bidders to pay a single market-clearing price that sells out the securities (col. 14, line 30 -col. 15, line 55.

Accordingly it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide an allocation of the securities which allows winning bidders to pay a single market-clearing price that sells out

the securities and to modify in Odom because such a modification would allow Odom to have the capability to close a deal and to arrive at a clearing price.

b. **Fisher teaches**, that to bid by proxy is the act of submitting a final price having the associated bid time stamp of the initial price, and not known to the auction participants other than the bidder who submitted the competitive bid in Col. 9 lines 17-35. Fisher teaches the benefits of Proxy bidding include "allowing the customer to get the lowest possible price without exceeding a limit preferably established when the bid is entered." (Col. 9 lines 23-26)

Accordingly it would have been obvious to one having ordinary skill in the art at the time the invention was made to submit a final price having the associated bid time stamp of the initial price, and not known to the auction participants other than the bidder who submitted the competitive bid for the benefits of allowing the customer to get the lowest possible price without exceeding a limit preferably established when the bid is entered without having to monitor the auction personally.

Claims 2, 16, and 47: Odom teaches, the method of claim 1, corresponding apparatus and server node wherein the securities comprise equity or debt securities (col. 10, line 49).

Claims 3, 17, and 48: Odom teaches, the method of claim 1, corresponding apparatus and server node wherein the securities comprise commodities (col. 10, line 49).

Claims 4,18, and 49: Odom teaches, the method of claim 3, corresponding apparatus and server node wherein the commodities comprise gold, silver or other commodities traded on a licensed commodity exchange (col. 10, line 49).

Claims 5,19, and 50: Odom failed to teach, wherein the bid mechanism comprises an open Dutch auction process. Hambrecht teaches, the bid mechanism comprises an open Dutch auction process (col. 31, line 31-col.1.33, line 60 and fig. 14). It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the bid mechanism comprise an open Dutch auction process and to modify in Odom because such a modification would allow Odom to have the price of an item gradually lowered until it meets a responsive bid and is sold as expressly defined on page 207 (Dictionary of Business Terms-Third Edition).

Claim 12: Odom teaches wherein the bidder may enter a non-competitive bid in addition to or in place of a competitive bid (designated a "non-competitive" bid) wherein the non-competitive bid includes a desired quantity of securities and a spread equal to a designated minimum spread over a benchmark treasury security (col. 8, line 47-col. 9, line 56, col. 10, lines 29 and figs. 5 and 8).

Claims 39 and 55. Odom teaches, an identity of a bidder that entered a particular competitive bid is not revealed in association with the public price of the particular competitive bid (col. 5, lines 1-45).

Claims 43 and 59. Odom and Hambrecht failed to teach, wherein the debt securities comprise one of corporate bonds, municipal bonds, mortgage-backed

bonds, emerging market bonds, and junk bonds. However, bonds are known in the securities market as a debt instrument regardless of the type of bond. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the debt securities comprise one of corporate bonds, municipal bonds, mortgage-backed bonds, emerging market bonds, and junk bonds and to modify in Odom because such a modification would allow Odom to have debt instruments traded on the major exchanges with the prices being published in newspapers.

Claims 44 and 60. Odom and Hambrecht failed to teach, wherein the securities comprise money market instruments. Money market instruments by definition are short-term debt instruments. It would have been obvious to one having ordinary skill in the art at the time the invention was made to have the securities comprise money market instruments and to modify in Odom because such a modification would allow Odom to have some debt instruments that are traded on major exchanges and some short term debt instruments that are negotiable certificates of deposit.

Claims 45 and 61. Odom and Hambrecht failed to teach, wherein the money market instruments comprise one of United States treasury bills, bank certificates of deposit, commercial paper and repurchase agreements. However it is well known in the art of money market instruments for the instruments to comprise United States treasury bills, bank certificates of deposit, commercial paper and repurchase agreements. It would have been obvious to one having

ordinary skill in the art at the time the invention was made to have the securities comprise money market instruments and to modify in Odom because such a modification would allow Odom to have some debt instruments that are traded on major exchanges and some short term debt instruments that are negotiable certificates of deposit.

Claims 46 and 62. this dependent claim is rejected for the similar rationale as given above for claims 1, 15, and 34.

### ***Conclusion***

12. Examiner's Note: The Examiner has cited particular columns and line numbers in the references as applied to the claims for the convenience of the applicant. Although the specified citations are representative of the teachings in the art and are applied to the specific limitations within the individual claim, other passages and figures may apply as well. It is respectfully requested from the applicant, in preparing the responses, to fully consider the references in entirety as potentially teaching all or part of the claimed invention, as well as the context of the passage as taught by the prior art or disclosed by the examiner.

13. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Daniel L. Greene Jr. whose telephone number is (571) 272-6876. The examiner can normally be reached on Mon-Thur.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James P. Trammell can be reached on (571) 272-6712. The fax phone

number for the organization where this application or proceeding is assigned is 571-273-8300.

14. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

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2007-07-25

JAMES P. TRAMMELL  
SUPERVISORY INVT. EXAMINER  
TECHNOLOGY CENTER 3600